5-1997

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THIRD WORLD TRAVELER

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Dollars and Sense magazine, May / June 1997

It is an investor's market out there in the global economy, with countries around the world competing to attract corporate money. But corporations aren't satisfied. They want assurances that there will be no turning back from economic liberalization-and they want lt. in writing. To respond to their demands, the United States and Europe are negotiating a new international agreement that will guarantee corporate rights and expand the market for their investments.

As soon as this May, the club of the world's 29 richest nations, the Organization for Economic Cooperation and Development (OECD), will finish negotiating their Multilateral Agreement on Investments (MAI). All economic sectors and regions of the countries signing the agreement would be opened up to foreign investment if their governments ratify it.

The MAI could be characterized as a "bill of rights" for transnational corporations. It will give foreign corporations the right to challenge the national or local environmental, health or worker protection laws that they feel are an unfair burden on them. The agreement sets up a "court" system that allows a company to sue a government, but there is no place in those "courts" for citizens who have been harmed by corporate misconduct to lodge their complaints.

We already know from NAFTA that giving corporations access to these "courts" can have a chilling effect on environmental, health and worker protection laws in the countries involved: in NAFTA's case, Canada, the United States and Mexico. In NAFTA's brief existence, corporations have used a dispute process under the

investment rules to challenge environmental laws in Canada and Mexico. Ethyl Corporation, a U.S. company, has threatened to file a $200 million claim if the Canadian parliament passes a law that prevents them from importing the potentially toxic fuel additive MMT. When the Mexican State of San Luis Potosi blocked the U.S.-based Metalclad Corp. from operating a hazardous waste treatment facility the company owns, Metalclad filed a grievance. Perhaps this track record has led the Clinton Administration to keep a low profile on its negotiations of the MAI; it has barely consulted with Congress. Unless the public is involved, the agreement will provide corporations with an unprecedented list of rights with no word about their responsibilities. As it stands, they would not be required to abide by international fair labor standards, respect human rights, or provide information to the communities where their enterprises are located. Neither is there any mention that they must operate in an environmentally sound way.

The flow of money from multinational corporations and other private sources reached an all-time high last year of $231 billion. It was $45 billion in 1990. More of that money is going to developing countries: 35% to 40% of it in 1995, up from 21% in 1990. Fifty-one of the 100 largest "economies" in the world are corporations; 49 are countries. Two-thirds of global trade is between transnational corporations or between their overseas affiliates. Poorer countries bend over backwards to attract multinationals' investment by offering tax breaks or by waiving environmental laws. The Caribbean government of Dominica recently reviewed its mining laws to make them more amenable to overseas companies -advised by the Australian mining giant Broken Hills Proprietary. Similarly, in 1995 the Philippines dropped its law limiting foreign investors to 40% of a mine's ownership.

But such power is not enough for the multinationals. They want the flow of money to be liberalized, not only among the OECD countries now negotiating the Multilateral Agreement on Investment on their behalf, but to the developing world as well. The OECD plans to invite other, less powerful, countries to join in on the agreement's terms, but only after the most powerful countries set them in place. This tactic shuts the developing world out of the negotiations. The call of Malaysia and India to hold the negotiations in a more open and inclusive setting-such as the United Nations Conference on Trade and Development -has so far fallen on deaf ears.

The stakes are high, not just in ensuring that our legislative victories on behalf of workers and the environment are not reversed. Unless the MAI places some controls over the rampant race of private capital flows, they can throw an entire country into economic chaos at a moment's notice. Mexico's peso crisis two years

ago was just the latest signal that private capital flows need to be regulated, but the agreement's negotiators are not taking heed. It is time for us to say "enough" to a world where corporations and investment fund managers have more say in a nation's future than a democratically elected government.

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